



Port of Seattle

March 1, 2000

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
Office of the Secretary
Case Control Unit
Attn: STB Ex Parte No. 582
1925 K. Street, NW
Washington D.C. 20423-0001

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Dear Secretary Williams:

The Port of Seattle is the fifth largest port in North America, handling more than 1.5 million containers annually, and anchors the western end of the country's most northern trade "corridor of national significance." A recent study projected that container traffic moving through the Port of Seattle will double by 2020 to 3.0 million TEUs. More than 75 percent of containers moving through our port move inland via intermodal rail. Our competitiveness depends upon a rail network that is reliable and low cost. That is why I am compelled to offer comments on the current proceedings regarding railroad mergers.

As various parts of the country have experienced, single-source rail providers in certain markets can eliminate a port's ability to compete on price and service. Proposed benefits from past mergers have simply not come to fruition. Mega-railroads could displace entire markets by rerouting cargo, leaving capital-intensive ports with stranded investments. Could government bailouts be far behind?

A downstream effect of displaced markets could be that some key ports would lose their ability to function as the economic engines they were developed to be, resulting in irreversible detrimental changes for regional economies.

In considering future mergers, we ask that you consider enforcing responsible action by the railroads in the name of public interest. A critical action might be to require railroads to make infrastructure investments that would assure the rail component of captive markets would remain competitive. These investment costs should be borne by the entire merged rail system, and no subsidies should be allowed.

Thank you for your attention.

Sincerely,

M. R. Dinsmore
Executive Director

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